

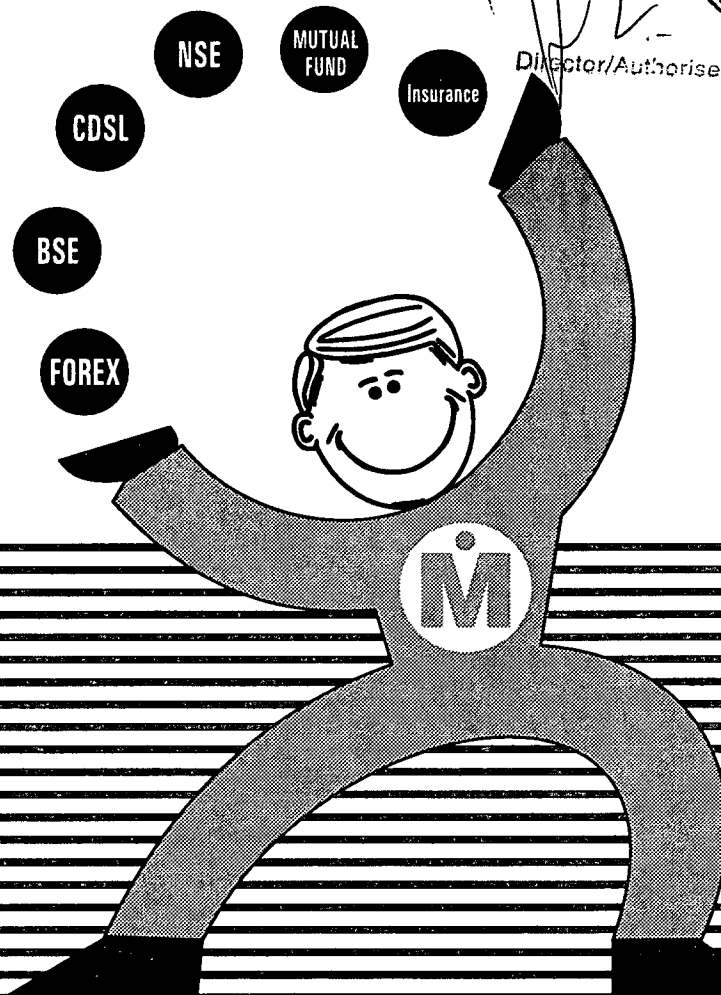
# ANNUAL REPORT

**YEAR : 2008-2009**

For M. B. PARIKH FINSTOCKS LIMITED



Director/Authorised Signatory



**M. B. PARIKH**  
**FINSTOCKS LIMITED**

## PERFORMANCE AT A GLANCE

	31.03.2009	31.03.2008	31.03.2007	31.03.2008	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001	31.03.2000	31.03.1999	31.03.1998	31.03.1997
Capital	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Net Worth	370.34	367.70	343.12	340.34	334.12	320.04	306.68	305.86	305.79	312.25	300.56	288.01	287.82
Net Fixed Assets	27.39	27.85	27.02	30.20	34.07	51.51	44.99	36.29	46.55	48.89	31.71	33.36	33.60
Investment & Stock In Trade	152.02	137.86	62.11	45.36	34.85	4.91	10.63	23.36	52.06	96.14	111.94	115.64	117.07
Total Income	52.52	72.38	46.78	60.15	85.08	78.95	48.18	34.45	46.77	56.13	52.21	34.25	47.96
Expenditure	35.51	33.91	36.29	43.50	67.78	64.64	22.52	27.44	43.72	34.27	30.87	27.58	47.96
Operating Profit (PBDT)	17.00	38.47	10.49	16.65	28.78	25.68	25.66	7.01	3.05	21.86	21.34	6.67	0.27
PBDT	11.70	30.57	6.89	13.16	25.60	23.20	16.31	5.73	-0.01	16.28	16.81	3.05	3.93
PBT	7.55	26.83	3.08	7.23	17.30	14.31	9.09	0.07	-4.02	11.69	12.55	-3.03	-8.30
PAT	2.64	24.59	2.77	6.23	14.07	13.35	4.59	0.07	-4.02	11.69	12.55	-3.03	-8.30
Book Value (Rs.)	12.34	12.25	11.40	11.34	11.14	10.67	10.22	10.19	10.19	10.41	10.02	9.60	9.59
E.P.S. (Rs.)	0.09	0.82	0.09	0.21	0.47	0.45	0.15			0.39	0.42		



# M. B. Parikh Finstocks Limited

## BOARD OF DIRECTORS

### PROMOTER DIRECTORS

Mr. Mahesh B. Parikh	Chairman
Mr. Digant M. Parikh	Managing Director
Mrs. Sudha P. Kapadia	Director

### INDEPENDENT / PROFESSIONAL DIRECTORS

Mr. T G Natarajan (A.C.A)	Director (Resigned w.e.f 29.4.09)
Mr. G.D. Rathi (F.C.A)	Director
Mr. Lalit Dalal (F.C.A)	Director
Mr. Jitendra M. Sharma (F.C.A)	Director (Appointment w.e.f 29.4.09)

### STATUTORY AND TAX AUDITORS

M/s. B.R. Pancholi & Co.  
11 Shree Ramway Plaza  
Khari Vav Road  
Dandia Bazar  
Vadodara – 390 001.

### INTERNAL AUDITORS

M/s. U S Tanwar & Co.  
35/36 Gajanan Building  
No. 9, Jawahar Nagar  
Goregaon (W)  
Mumbai – 400 062.

### COMPANY LAW CONSULTANT

Sanjay Dholakia & Associates  
209, Ground Floor, Raghuleela Mall  
Behind Poisar Bus Depot  
Kandivli, Mumbai – 400 067.

### REGISTRARS

Link Intime India Pvt. Ltd.  
C/13, Panna Lal Silk Mills Comp.,  
L. B. S. Marg, Bhandup(W),  
Mumbai -400 078.

### LEGAL ADVISORS/ ADVOCATES

Mr. Rohit Shetty	Mumbai
Mr. Anandvardhan Yagnik	Ahmedabad

### BANKERS TO THE COMPANY

HDFC BANK LTD.	IDBI BANK LTD.
KOTAK MAHINDRA BANK LTD.	VIJAYA BANK LTD.
YES BANK LTD.	SHAMRAO VITHAL CO-OP. BANK LTD.

### OFFICES

#### REGISTERED OFFICE

705, Galav Chambers,  
Sayajigunj  
Vadodara – 390 005.  
Tel. : (0265) 2362 909

#### CORPORATE OFFICE

Heena Shopping Arcade, 2<sup>nd</sup> Floor  
Office no. 9 & 10, S.V. Road  
Jogeshwari (W)  
Mumbai – 400 102.  
Tel. : 2679 0434/2103/2105  
Fax : 2679 0463  
EMAIL : mbpfin@bom5.vsnl.net.in



## NOTICE

Notice is hereby given that the **Fifteenth Annual General Meeting** of the Shareholders of **M.B. PARIKH FINSTOCKS LIMITED** will be held on Friday, 14<sup>th</sup> August 2009 at the registered office of the Company situated at 705, Galav Chambers, Sayajigunj, Vadodara, 390 005 at 12.30 p.m. to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2009 and the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. Mahesh B Parikh who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Mr. Govind D Rath, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors of the Company and to fix their remuneration.

### SPECIAL BUSINESS :

- 5) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

**RESOLVED THAT** Mr. Jitendra M Sharma, who was appointed as an Additional Director under Article 134 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

Dated : 13<sup>th</sup> May, 2009

Place : Mumbai

Registered Office:  
705, Galav Chambers,  
Sayajigunj,  
Vadodara-390 005.

By order of the Board of Directors

for **M.B. PARIKH FINSTOCKS LIMITED**

**DIGANT M. PARIKH**  
**MANAGING DIRECTOR**



## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956 for item no. 5 of the Notice is attached and forms part of this Notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from **10<sup>th</sup> August 2009 to 14<sup>th</sup> August 2009** (both the days inclusive).
5. The members are requested to :
  - a) Intimate changes, if any, in their Registered address to the Company's Share Transfer Agent M/s. Link Intime India Pvt. Ltd.
  - b) Quote ledger folio numbers in all their correspondence.
  - c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
  - d) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
  - e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

### **ITEM NO. 5**

Mr. Jitendra M Sharma was appointed as Additional Directors under Article 134 of the Articles of Association of the company w.e.f. 29.04.2009 pursuant to Section 260 of the Companies Act, 1956. As per the terms of appointment, his term as Director expires at the forthcoming Annual General Meeting. The company in turn has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. The Director recommend his appointment in the best interest of the company.

None of the Directors of the Company except Mr. Jitendra M Sharma may be considered to be interested in the passing of these resolutions.

Dated : 13<sup>th</sup> May, 2009

Place : Mumbai

Registered Office:  
705, Galav Chambers,  
Sayajigunj,  
Vadodara-390 005.

By order of the Board of Directors

for **M.B. PARIKH FINSTOCKS LIMITED**

**DIGANT M. PARIKH**  
**MANAGING DIRECTOR**



## DIRECTORS' REPORT

To  
The Members,

Your Directors present herewith the Fifteenth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2009.

### 1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended 31/03/2009	Year Ended 31/03/2008
Profit before Tax	7.55	26.83
Less : Provision for Taxation	4.93	2.71
Add : Prior period adjustment/deferred tax liability	0.02	0.46
Profit after Tax	2.64	24.58
Balance b/f	67.70	43.12
Balance carried to balance sheet	70.34	67.70

### 2. OPERATIONS / DIVIDEND

The year witnessed unprecedented global recession and downturn in capital market caused by a varieties of factors operating globally and cross border impact. As a result the company's activities also had snowballing adverse impact with brokerage income sliding down by 75% to Rs. 4.59 lacs. Investment and Stock-in-trade also suffered sizeable losses owing to drop in share prices. However, the market is now looking up with the induction of visibly stable government and effect of stimulus packages administered globally and domestically. This would give the company opportunity to exit. The Directors are happy to inform that despite the above non-favourable situation the company could keep its head above the water owing to interest earned on its bank deposits and consultancy income of about Rs. 41.25 lacs. Under the circumstances, it is not felt prudent to declare dividend.

### 3. DIRECTORS

Mr. Mahesh B. Parikh and Mr. Govind D Rathi, retires by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

During the year under review the Mr. T. G. Natrajan has resigned from the office as Director w.e.f. 29<sup>th</sup> April, 2009. The Board appreciates the services rendered by him during his tenure of office.

The Company appointed Mr. Jitendra M. Sharma as an Additional Director of the Company w.e.f. 29<sup>th</sup> April, 2009. As per his term of appointment his term expires at the forthcoming Annul General Meeting and in turn the Company has received the Notice in writing from a Member along with a fee of Rs.500/- signifying his intention to propose Mr. Jitendra M. Sharma as Director of the Company liable to retire by rotation. The Members are requested to appoint him in the interest of the Company. Mr. Jitendra M. Sharma is having a vast experience of over 10 years in the Finance,



Strategic Corporate Planning and Capital Market. His vast experience as Chartered Accountant and industries like shipping / pharmaceuticals and capital market would be of immense help to the company which is adding to its activities related business like CDSL membership and Foreign Currency Derivative (at NSE)

#### **4. MEMBERSHIP OF CENTRAL DEPOSITORY SERVICES (INDIA) LTD.**

As reported in the last Directors Report, the company secured CDSL Membership 15.10.2008. After completing necessary formalities and installation of required hardware / software as also engaging services of experienced personnel, the company formally launched CDSL membership w.e.f. 1.2.2009.

The Board of Directors has decided to provide services in this segment on a very competitive terms such as Nil fee for opening of account and attractive annual maintenance charges. The shareholders of the company are offered further 50% discount on AMC.

#### **5. MANAGEMENT**

As reported in the last Directors Report, the company has engaged Mrs. Aarti Naik having 6 years experience as Compliance Officer for CDSL activities.

#### **6. MEMBERSHIP OF FOREIGN CURRENCY DERIVATIVES – NSE**

The company has secured the Membership of derivative trading in Foreign Currency. With expanding international trade, foreign travel and scope to hedge against volatility in Foreign Currency Rupee parity, the company foresees good scope. However, this being a highly professionalized and to some extent technical, it is felt to secure services of experienced Forex trades and commence operations thereafter. We expect to commission activities during the year; at Co's Corporate Office at Jogeshwari (W), Mumbai

#### **7. FIXED DEPOSITS**

The Company has not accepted any deposits from the public.

#### **8. PARTICULARS OF EMPLOYEES**

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended is not given as there was no employee drawing the salary as per the limits mentioned in the said Section and Rules.

#### **9. COMPLIANCE CERTIFICATE**

In terms of subsection (1) of section 383A read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the Compliance Certificate received from M/s. Sanjay Dholakia & Associates, Practising Company Secretary and is attached to this Report.





## **10. LISTING OF SHARES**

The Company's shares are listed on Mumbai and Vadodara Stock Exchanges. The Company has already paid listing fees to them for the year 2008 – 2009.

## **11. INSURANCE**

All the assets of the Company are adequately insured.

## **12. HUMAN RESOURCES**

The relationship of your Company with its employees remained cordial throughout the year. The Company is paying full attention in the development of Human Resources at all levels by group discussions, job related training etc. The Company appreciates the value of maintaining high morale amongst its employees and has always endeavored to keep it at highest level.

## **13. CODE OF CONDUCT**

The company has adopted the code of conduct as per revised Clause 49 of the Listing Agreement applicable to all the Directors and senior management personnel of the company. The company has received confirmation from all the Directors and senior management personnel of the company on the compliance of the said code of conduct.

## **14. DISCLOSURE U/S 274(1)(g)**

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274(1)(g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

## **15. DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the Annual Accounts for the financial year 31<sup>st</sup> March, 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.



# **M. B. Parikh Finstocks Limited**

- iv) That the Directors have prepared the Accounts for the financial year ended 31<sup>st</sup> March, 2009 on a going concern basis.

## **16. CORPORATE GOVERNANCE**

As per the requirements of Listing Agreement with Stock Exchange, a report on Corporate Governance is made a part of the Annual Report.

## **17. AUDITORS**

M/s. B. R. Pancholi & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint them and fix their remuneration.

## **18. ACKNOWLEDGMENT**

The Board wishes to place on records its appreciation to all its bankers, shareholders, customers and employees for achieving these results.

By order of the Board,

**For M. B. PARIKH FINSTOCKS LIMITED,**

Dated : 13<sup>th</sup> May, 2009

Place : Mumbai

**MAHESH B. PARIKH**  
**CHAIRMAN**

Registered Office:  
705, Galav Chambers,  
Sayajigunj,  
Vadodara, 390 005.



## CORPORATE GOVERNANCE REPORT

The Bombay Stock Exchange Limited has implemented the revised provisions of Clause 49 of the Listing Agreement from December 31, 2006, the Company has already taken steps to comply with the revised provisions to the maximum extent possible.

As per the Clause 49 of Listing Agreement, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors reports the following;

### **I COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings. The Board of Directors by considering itself as a trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders.

### **II. BOARD OF DIRECTORS**

#### **i) Board Composition:**

The strength of the Board was 6 Directors as on 31<sup>st</sup> March, 2009./ The composition and category of Directors on the Board of the Company are:

##### **Managing Director**

Mr. Digant M. Parikh

##### **Non-executive Director**

Mr. Mahesh B. Parikh

Mrs. Sudha Kapadia

##### **Independent / Professional Directors**

Mr. T. G. Natarajan (Resigned w.e.f. 29.4.2009)

Mr. Govind Rathi

Mr. Lalit P. Dalal

Mr. Jitendra Sharma (Appointed w.e.f. 29.4.2009)

The independent Directors do not have any material or pecuniary relationship or transaction with the Company, its promoters or its management, which may affect their judgment in any manner.

#### **ii) Other Directorship and Membership of Board Committees:**

None of the Directors hold Directorship in more than the permissible no. of Company under the relevant provision. Further, none of the Directors on the Board is a member of more than Ten Committees or Chairman of more than Five Committees.

#### **iii) Board Meetings:**

The Board met 6 times during the period from April, 2008 to March, 2009.



#### iv) Attendance of Directors:

		Attendance Particulars	
		Board Meeting	Last AGM
Mr. Mahesh Parikh	Chairman / Director	6	Yes
Mr. Digant Parikh	Managing Director	6	Yes
Mrs. Sudha P Kapadia *	Director	0	No
Mr. T G Natrajan	Director	1	No
Mr. Govind Rathi	Director	6	Yes
Mr. Lalit P Dalal	Director	6	Yes

\* Was abroad between April 2008 to February 2009

#### v) Directorship of Public Limited Company

None of the Directors except the following Directors are Directors in any other public limited company.

Name	Director in Public Ltd. Co.
Mr. Mahesh Parikh	Marksans Pharma Ltd. Career Launchers Education Infrastructure and Services Ltd.
Mr. Digant Parikh	Akansha Consultancy Services Ltd.
Mr. Jitendra M. Sharma	Relonchem Ltd Novapharmaceuticals Australasia Pty Ltd.

#### vi) Code of Conduct:

The Board has formulated a code of conduct for the Board members and senior management of the Company. All Board members and senior management have affirmed their compliance with the code. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

### III AUDIT COMMITTEE

As per the terms of reference prescribed by the Board as stipulated in Clause 49 (II) (d) of the Listing Agreement, the committee performs such duties and tasks as are assigned to it by the Board. The Committee has access to all records of the Company. The Committee reviews the report of the statutory auditors and procedures, internal control systems, etc. and also addresses the requirements of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges.

The Audit Committee of the Company meets before the finalization of accounts each year and also meets each quarter before the results of that quarter is published in the newspaper and informed to the Stock Exchanges as required under Clause 41 of the Listing Agreement. During the year 2008 – 2009 the Audit Committee has met 5 times as under –



# M. B. Parikh Finstocks Limited

Date of meeting	Mr. Lalit Dalal Director/Member	Mr. Govind Rathi Director/Member	Mr. Digant Parikh (by invitation)
30.4.08	Yes	Yes	Yes
28.6.08 *	Yes	Yes	Yes
31.07.08	Yes	Yes	Yes
31.10.08	Yes	Yes	Yes
31.1.09	Yes	Yes	Yes

\* Mr. B R Pancholi – Statutory Auditor was present (by invitation)

## IV REMUNERATION COMMITTEE

The Remuneration Committee determines the remuneration of Managing Director and Whole Time Directors within the framework as approved by the Shareholders and also decides on the sitting fees to be paid to the Non-Executive Directors for attending the Board Meetings.

The Remuneration Committee held two meetings as under –

Member	31.7.08	31.1.09
Mr. Mahesh Parikh	Yes	Yes
Mr. Lalit P Dalal	Yes	Yes
Mr. Govind D Rathi	Yes	Yes

The details of remuneration paid to the Managing Director during the year ended 31<sup>st</sup> March, 2009 is given as follows.

Director	Position	Remuneration	Service Contract
Mr. Digant M. Parikh *	Managing Director	Rs. 600,000 **	5 Years

\* Appointed w. e. f. 1<sup>st</sup> July, 2008.

\*\* Revised to Rs.2,00,000 p.m. w.e.f. 1<sup>st</sup> July, 2008

## NOTES:

1. The Company has not paid any compensation to the independent non-executive directors.
2. The Company does not pay bonus, pension and incentives to the Managing Director. The Company so far has not issued any stock options to Managing Director/ Executive / Non-executive / independent Director.
3. In view of lack luster capital market and its adverse impact on operations of the company, Mr. Digant M Parikh – Managing Director continued to draw only Rs. 50,000 p.m. as against Rs. 2,00,000 p.m. as approved by members of the company at the AGM convened on 26.7.08.



4. Equity shares of the Company held by non-executive Directors are as follows:

Directors	No. of shares held as on 31 <sup>st</sup> March, 2009	No. of shares held as on 31 <sup>st</sup> March, 2008
Mrs. Sudha Kapadia	600	500
Mr. T.G. Natarajan	-	-
Mr. Lalit Dalal	-	-
Mr. Lalit Mehta	-	-
Mr. Mahesh Parikh	3,02,100	3,02,100
Mr. Govind Rathi	-	-

## V SHAREHOLDERS / INVESTORS' GRIEVANCES COMMITTEE

The Committee is Authorized to approve the transfer of shares and other shareholders / investors correspondence. The Committee also monitors redressal of investors' grievances. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil. There were no complaints pending as on March 31, 2009.

As required by the Stock Exchanges, the Company has appointed Mr. Imtiyazul Hasan as the Compliance Officer to monitor the share transfer process and liaise with the regulatory authorities.

During the year 2008 – 2009 the Shareholders / Investors' Grievances Committee has met 6 times and all the members of the Shareholders / Investors' Grievances Committee remained present.

## VI GENERAL BODY MEETINGS

Date time and venue for the last 3 Annual General Meetings are given below;

Financial Year	Date	Location	Time
31- March, 2006	26- August, 2006	Registered Office	12.30 p.m.
31- March, 2007	25- August, 2007	Registered Office	12.30 p.m.
31- March, 2008	26- July, 2008	Registered Office	12.30 p.m.

### Notes:

1. A Special Resolution in connection with increase in remuneration to Managing Director from Rs. 40,000/- p.m. to Rs. 75,000/- p.m. was approved by the Shareholders of the Company at the AGM held on 25.8.2007. No Special Resolution was passed at AGM held on 13.8.2005 and 26.8.2006.
2. There were no special resolutions passed through postal ballot last year.
3. At the Annual General Meeting held on 26<sup>th</sup> July 2008, the following Special Resolutions were passed.
  - i) Appointment of Managing Director for a period upto 30.6.2013 at a monthly remuneration not exceeding Rs. 200,000/- (under section 198, 269, 309 and other applicable provisions, if any, including Schedule XIII of the said Act as amended up-to-date and in partial modification to the resolution passed at Company's 14<sup>th</sup> Annual General Meeting held on 26.7.2008).



- ii) Addition of Article 127A after Article 127 of the Articles of Association of the company.

**Article 127 A :** Mr. Digant Mahesh Parikh shall not retire by rotation nor he be removed from the office of the Director unless he resigns from the office of the Director as long as he holds the 5% of the Paid-up Capital of the company.

Detailed Notes / Explanatory Statements are incorporated into the Annual Report for F.Y. 2008-09.

## VII. DISCLOSURES

- i. The Company has not entered into any materially significant related party transaction during the year that may have potential conflict with the interests of the Company at large.
- ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or stricture imposed by the Stock Exchange or SEBI or any other statutory authority, on any matter relating to the capital market over the last three years.
- iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2008 – 2009.
- vi. The Company has complied with all mandatory requirements of clause 49 of Listing requirements.

## VIII MEANS OF COMMUNICATIONS

The Company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by Board within the prescribed time frame and sent immediately to the Stock Exchange on which the Company's shares are listed.

## IX GENERAL SHAREHOLDER INFORMATION

### AGM Date

14<sup>th</sup> August, 2009

### Financial Year

1<sup>st</sup> April 2008, to 31<sup>st</sup> March 2009

### Book Closure

10<sup>th</sup> August 2009 to 14<sup>th</sup> August 2009 (both days inclusive)

### Dividend

No dividend was declared for last financial year.

### Dividend declared in earlier years; year ending

31<sup>st</sup> March, 2005 – Nil



# M. B. Parikh Finstocks Limited

31 <sup>st</sup> March, 2006	–	Nil
31 <sup>st</sup> March, 2007	–	Nil
31 <sup>st</sup> March, 2008	–	Nil

## Listing of Shares

The Company's shares are listed at Bombay and Vadodara Stock Exchanges. Listing fees for the same have been paid to the stock exchanges.

### Stock code

Bombay Stock Exchange, Mumbai

Physical Script Code No. - 526935

Demat Script Code No. - ISIN – INE 377D01018

Vadodara Stock Exchange, Vadodara

Physical Script Code No. - Not allotted

Demat Script Code No. - ISIN – INE 377D01018

## Registrar & Transfer Agents

Share Transfers in Physical and Demat form is handled by the Company's Share Transfer Agents M/s. Link Intime India Private Limited, a Registrar & Share Transfer Agent (RTA) having its office at C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078.

## Share Transfer System

All the transfers in physical and demat form are received and processed by the Company's Share Transfer Agent M/s. Link Intime India Private Limited and sent for approval to the Shareholders / Investors' Grievances Committee and then sent back to the transferee.

## Market Price Data on BSE

	Open	High	Low	Close	No. of shares traded
April 2008	9.55	12.25	8.56	10.58	12766
May 2008	11.10	15.78	10.85	15.78	41257
June 2008	15.80	24.95	12.70	24.95	51196
July 2008	26.15	36.60	19.50	19.60	128253
August 2008	18.65	20.40	15.60	16.85	35890
September 2008	17.65	17.80	11.35	13.95	24763
October 2008	12.60	14.70	9.02	9.02	10875
November 2008	9.47	10.46	8.00	9.77	22773
December 2008	9.99	11.75	8.26	8.26	3666
January 2009	7.85	7.85	7.10	7.10	2100
February 2009	6.75	8.47	6.75	8.40	2639
March 2009	8.80	12.41	8.31	9.98	4357





## Shareholding Pattern

The following tables give the pattern of shareholding as on 31<sup>st</sup> March, 2009.

No. of Equity shares held	No. of shareholders	% of shareholders	Share amount (Rs. in lacs)	% of shareholding
Upto 5000	2702	87.2740	4239420	14.1310
5001 – 10000	196	6.3310	1657170	5.5240
10001 – 20000	111	3.5850	1643900	5.4800
20001 – 30000	26	0.8400	648200	2.1610
30001 – 40000	16	0.5170	547620	1.8250
40001 – 50000	13	0.4200	618020	2.0600
50001 – 100000	9	0.2910	596590	1.9890
100001 & above	23	0.7430	20049080	66.8300
<b>Total</b>	<b>3096</b>	<b>100.0000</b>	<b>30000000</b>	<b>100.0000</b>

## Pattern of shareholding by ownership as on 31<sup>st</sup> March, 2009.

Category	No. of Shares Held	% of Shareholding
<b>A. Promoter's Holding</b>		
1 Promoters		
- Indian Promoters	13,33,029	44.43
- Foreign Promoters		
2 Person Acting In Concert	2,80,500	9.35
<b>Sub – Total</b>	<b>16,13,529</b>	<b>53.78</b>
<b>B. Non – Promoter's Holding</b>		
3 Institutional Investors		
a Mutual Funds & UTI	-	-
b Banks, FIs, Insurance Cos., (Central/ State Govt. Inst., Non-Govt. Inst.)	-	-
c FIIS	-	-
<b>Sub – Total</b>	<b>-</b>	<b>-</b>
4 Others		
a Private Corporate Bodies	61,814	02.06
b Indian Public	13,05,577	43.52
c NRIs/OCBs FIIS	400	0.01
d Any other (please specify) (Clearing Member)	18,680	0.62
<b>Sub – Total</b>	<b>13,86,471</b>	<b>46.22</b>
<b>Grand – Total</b>	<b>30,00,000</b>	<b>100.00</b>

**Dematerialization of shares and liquidity**

The Company's shares are dematerialized.

66.73% of the Share Capital is dematerialized as on 31<sup>st</sup> March, 2009.

**Registered Office**

705, Galav Chambers, Sayajigunj,

Vadodara, 390 005.

Telfax No. (0265) 23 62 909

Email : mbfin@bom5.vsnl.net.in

**Corporate Office:**

Heena Shopping Arcade, 2<sup>nd</sup> Floor,

Office No. 9 & 10, S. V. Road,

Jogeshwari (West), Mumbai – 400 102.

Tel. No. (022) 2679 0434 / 2103 / 2105

Fax No. (022) 2679 0463

Email : mbfin@bom5.vsnl.net.in

**X. Auditor's Certificate on Corporate Governance**

Auditor's certificate on compliance of clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

**XI. Declaration by the CEO on Code of Conduct as required by Clause 49.1.(D)(ii)**

This is to declare that the company has received affirmations of compliance with the applicable Code of Conduct from the Directors and Senior Management personnel of the company in respect of the financial year 2008-09.

for **M.B. PARIKH FINSTOCKS LIMITED**

Place : **Mumbai**

Date : **13<sup>th</sup> May, 2009**

**DIGANT M. PARIKH**  
**MANAGING DIRECTOR**



**MANAGEMENT CERTIFICATE ON CLAUSE 49 (1D) OF THE  
LISTING AGREEMENT**

**To,  
The Members,  
M B Parikh Finstocks Limited**

This is to affirm that the Board of Directors of M B Parikh Finstocks Limited adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchange and Board of Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31<sup>st</sup> March, 2009.

**DIGANT PARIKH  
MANAGING DIRECTOR**

Place : Mumbai  
Date : 13<sup>th</sup> May, 2009



**FORM**  
**[SEE RULE 3]**  
**COMPLIANCE CERTIFICATE**

To  
The Members,  
**M. B. PARIKH FINSTOCKS LIMITED**

We have examined the registers, records, books and papers of **M. B. PARIKH FINSTOCKS LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2009. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company is a public limited company and the restrictions mentioned in section 3(1)(iii) of the Act is not applicable to public limited companies.
4. The Board of Directors duly met 6 times on 30<sup>th</sup> April, 2008, 28<sup>th</sup> June, 2008, 31<sup>st</sup> July, 2008, 30<sup>th</sup> September 2008, 31<sup>st</sup> October, 2008 and 31<sup>st</sup> January, 2009 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed.
5. The company has closed its Register of Members from 23<sup>rd</sup> July, 2008 to 26<sup>th</sup> July, 2008 (both days inclusive) during the financial year after complying with the provisions of Section 154 of the Companies Act, 1956.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2008 was held on 26<sup>th</sup> July, 2008 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The company has made necessary entries in the Register maintained under section 301 of the Act.



11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company has:
  - (i) not made any allotment/ transmission of securities during the financial year. The Company has delivered the share certificates on lodgement thereof for transfer of shares during the year.
  - (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - (iii) not posted warrants to any member of the company, as no dividend was declared during the financial year.
  - (iv) no unpaid dividend, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid and as are required to be transferred to Investor Education and Protection Fund.
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There were no changes among Directors during the financial year.
15. No Whole Time Director /Manager were appointed during the financial year. The Company has appointed Mr. Digant Parikh as Managing Director of the Company w.e.f. 1<sup>st</sup> July, 2008 after complying with the provisions of the Act.
16. The company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other applicable authorities as may be prescribed in the Act during the year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/accepted any deposits as per the provisions of section 58A read with companies (Acceptance of Deposits) Rules, 1975 during the financial year.
24. The company has made borrowings during the financial year.



25. The company has made investments in mutual funds and in equity shares of other bodies corporate and consequently necessary entries have been made in the register kept for the purpose during the year. However, the Company has not given any loans and guarantees to other bodies corporate and consequently no entries have been made in the register kept for the purpose during the year.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company regarding during the year under scrutiny.
30. The company has altered its articles of association during financial year.
31. There was no prosecution initiated against or show cause notices received by the company during the financial year for offences under the Act.
32. The company has not received any money as security from its employees during the financial year under certification as per provisions of section 417(1) of the Act.
33. The company was not required to deposit both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

**For Sanjay Dholakia & Associates**

**(SANJAY R. DHOLAKIA)**

Practising Company Secretary  
Proprietor

Place : Mumbai  
Date : 13<sup>th</sup> May, 2009



## **Annexure A**

### **Registers as maintained by the Company**

1. Register of Members u/s. 150.
2. Register of Directors, Managing Director, Manager and Secretaries u/s. 303.
3. Register of Director's Shareholding u/s. 307.
4. Minutes of the Annual General Meeting/Extra Ordinary General Meeting and Board Meeting under section 193 with Attendance Register.
5. Register of Contracts u/s. 301.
6. Register of Charges u/s 143.

**For Sanjay Dholakia & Associates**

**(SANJAY R. DHOLAKIA)**

Practising Company Secretary  
Proprietor

Place : Mumbai

Date : 13<sup>th</sup> May, 2009

## **Annexure B**

### **Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2009.**

1. Form 23AC for Balance Sheet as at 31<sup>st</sup> March, 2008 and Form 23ACA for Profit & Loss Account for the year ended 31<sup>st</sup> March, 2008 filed with the Registrar of Companies, Gujarat on 29<sup>th</sup> July, 2008.
2. Form 20B for Annual Return made up to 26<sup>th</sup> July, 2008, filed with the Registrar of Companies, Gujarat on 14<sup>th</sup> August, 2008.
3. Form No. 23 in respect of resolutions passed at the 14<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July, 2008 filed with the Registrar of Companies, Gujarat on 14<sup>th</sup> August, 2008.
4. Form No. 25C in respect of appointment of Mr. Digant Parikh as Managing Director w.e.f. 1<sup>st</sup> July, 2008 filed with the Registrar of Companies, Gujarat on 29<sup>th</sup> July, 2008.
5. Form No. 17 in respect of satisfaction of charge in favour of Development Credit Bank Limited on 5<sup>th</sup> April, 2008 for Rs. 40 Lacs filed with the Registrar of Companies, Gujarat on 9<sup>th</sup> April, 2008.

**For Sanjay Dholakia & Associates**

**(SANJAY R. DHOLAKIA)**

Practising Company Secretary  
Proprietor

Place : Mumbai

Date : 13<sup>th</sup> May, 2009



## **COMPLIANCE CERTIFICATE**

### **TO THE MEMBERS OF M.B. PARIKH FINSTOCKS LIMITED :**

We have read the Report of Board of Directors on Corporate Governance and have examined the compliance of conditions of Corporate Governance by M.B. Parikh Finstocks Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. Our examination is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) were pending against the Company record maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For B.R. PANCHOLI & CO.  
CHARTERED ACCOUNTANTS**

Place : **Mumbai**  
Date : **13<sup>th</sup> May, 2009**

**CA B.R. PANCHOLI  
PROPRIETOR  
Membership No.41254**





## **AUDITORS' REPORT**

**To,  
The Members,  
M.B. Parikh Finstocks Limited.**

1. We have audited the attached Balance Sheet of **M. B. Parikh Finstocks Limited** ("the company") as at March 31, 2009 and the Profit and Loss Account and the Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit,
  - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956; and



- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
  - (b) in the case of the Profit and Loss Account of the Profit for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For B. R. Pancholi & Co.,  
Chartered Accountants**

**Place : Mumbai  
Date : May 13, 2009**

**CA. B. R. Pancholi  
Proprietor  
Membership No. 041254**



## ANNEXURE TO THE AUDITORS' REPORT

**Annexure Referred To In The Auditors' Report To The Members Of M.B.PARIKH FINSTOCKS LIMITED For The Year Ended On March 31, 2009.**

**We Report that:**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us the fixed assets of the company have been physically verified by the Management during the year. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.  
(c) There was no disposal of a substantial part of fixed assets.
2. (a) The company is a service Provider primarily rendering Broking Services. Inventory being stock of shares and securities both in DEMAT and physical form have been physically verified by the management at reasonable intervals during the year.  
(b) In our opinion the Company has maintained proper records of stock-in-trade held in Equity Shares & Securities. No material discrepancies were noticed on verification.
3. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of shares, fixed assets and for the sale of shares. To the best of our knowledge no major weakness in the internal control system were either reported or noticed by us during the course of our audit.

The nature of the business of the company includes trading in listed shares and securities and Financial Consultancy. The transactions of sales and purchases in respect of listed securities are carried out at Recognized Stock Exchanges and at prevailing market price.

5. In our opinion and according to the information and explanations given to maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the Company.



7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. According to the information and explanations given to us, the Central Government has NOT prescribed maintenance of cost records under clause of (d) of sub-section (1) of 209 of the Companies Act, 1956 for any of the services rendered by the company.
9. According to the information and explanations given to us, and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Service tax, stamp duty and other material statutory dues applicable to it.

According to information and explanations given to us, no undisputed dues payable in respect of Income tax, Service tax and other statutory dues were in arrears as at March 31, 2009 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of Income tax and Service tax, which have not been deposited with the appropriate authorities on account of any dispute.

10. The Company does not have accumulated losses. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. Based on our audit procedure and on the information and explanations given by the Management, the company has not defaulted in repayment of dues to a financial institution or bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. Based on examination and according to the information and explanations given to us, During the year the Company has done financial consultancy been maintained of the transactions and contracts and timely entries have been made there in. The shares have been held by the Company in its own name except to the extent to the exemption, if any, granted under section 49 of the SEBI Act.
15. According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company did not have any term loans outstanding during the year.
17. In our opinion and according to the information and explanations given to us, and on an over all examination of the Balance Sheet of the Company, we report that no funds raised on short-term



basis have been used for long term investment.

18. The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.

**For B. R. Pancholi & Co.,  
Chartered Accountants**

**Place : Mumbai  
Date : May 13, 2009**

**CA. B. R. Pancholi  
Proprietor  
Membership No. 041254**

## BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule		As At 31.03.2009	As At 31.03.2008
<b>SOURCES OF FUNDS:</b>				
<b>Shareholders Funds:</b>				
a) Capital	1		30000000	30000000
b) Reserves & Surplus	2		7033995	6770421
<b>Loan Funds:</b>				
Secured Loans	3		1964385	5079400
<b>Deferred Tax Liability</b>			182990	184760
<b>TOTAL</b>			<b>39181370</b>	<b>42034581</b>
<b>APPLICATION OF FUNDS:</b>				
<b>Fixed Assets:</b>				
a) Gross Block	4		8164070	7794267
b) Less: Depreciation			5424657	5009350
c) Net Block			2739413	2784917
<b>Investments</b>	5		5713000	3833000
<b>Stock Exchange Card &amp; Deposits</b>	6		6600000	5900000
<b>Current Assets, Loans and Advances:</b>				
a) Sundry Debtors	7		285114	1722816
b) Stock In Trade / Investment in Securities			9489832	9953235
c) Cash & Bank Balance	8		15489298	23561849
d) Loan, Advances and Deposits	9		1512723	1413236
			<b>26776967</b>	<b>36651136</b>
<b>Less:</b>				
<b>Current Liabilities and Provisions:</b>	10			
a) Liabilities			2270760	6944222
b) Provisions			377250	190250
			2648010	7134472
<b>NET CURRENT ASSETS</b>			24128957	29516664
5. MISCELLANEOUS EXPENDITURE (To the extent not written off)			—	—
<b>TOTAL</b>			<b>39,181,370</b>	<b>42,034,581</b>
Statement of Significant Accounting Policies and Notes on Accounts.	11			

The schedules referred to above are an integral part of the Balance Sheet.  
As per our report attached.

for **B.R. PANCHOLI & CO.**  
**CHARTERED ACCOUNTANTS**

**CA B.R. PANCHOLI**  
**PROPRIETOR**

Membership No. 41254  
Place : Mumbai  
Date : 13.05.2009

For and on behalf of the Board

**Mahesh Parikh - Chairman**

**Digant Parikh - Managing Director**

**Govind Rathi - Director**

**Lalit Dalal - Director**





# M. B. Parikh Finstocks Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	As At 31-03-2009	As At 31-03-2008
<b>INCOME :</b>			
Income	12	5251944	7237543
<b>EXPENDITURE :</b>			
Operating Expenses	13	2274072	2274245
Business Development	14	11120	4438
Interest and Financial Charges	15	529517	789726
Staff Cost	16	1266536	1112154
Depreciation	17	415307	374308
		<b>4496552</b>	<b>4554871</b>
<b>PROFIT BEFORE TAX</b>		<b>755392</b>	<b>2682672</b>
Less:			
Provision for Tax (Net)		493588	270546
Deferred Tax (Current)		-1770	-46444
<b>PROFIT AFTER TAX</b>		<b>263574</b>	<b>2458570</b>
<b>BALANCE CARRIED FORWARD</b>		<b>263574</b>	<b>2458570</b>
Earnings Per Share		0.09	0.82
Statement of Significant Accounting Policies and Notes on Accounts	11		

The schedules referred to above are an integral part of the Profit & Loss Account.  
As per our report attached.

**For B.R. PANCHOLI & CO.**  
**CHARTERED ACCOUNTANTS**

**CA B.R. PANCHOLI**  
**PROPRIETOR**  
Membership No. 41254  
Place : Mumbai  
Date : 13-06-2009

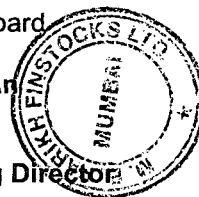
For and on behalf of the Board

**Maresh Parikh - Chairman**

**Digant Parikh - Managing Director**

**Govind Rathi - Director**

**Lalit Dalal - Director**





## Schedules to the Balance Sheet

(figures in Rs.)

	ASAT 31-03-2009	ASAT 31-03-2008
<b>SCHEDULE - 1 - SHARE CAPITAL</b>		
a) Authorised : 7500000 Equity shares of Rs. 10/- each	75000000	75000000
b) Issued, Subscribed and Fully Paid-up 3000000 Equity shares of Rs. 10/- each	30000000	30000000
	<b>30000000</b>	<b>30000000</b>
<b>SCHEDULE - 2 - RESERVES &amp; SURPLUS</b>		
a) General Reserve Balance as per Balance sheet	668409	668409
b) Profit and Loss Account Balance as per last Balance Sheet	6102012	3643442
Credit Balance in Profit & Loss Account	263574	2458570
	6365586	6102012
	<b>7033995</b>	<b>6770421</b>
<b>SCHEDULE - 3 - SECURED LOANS :</b>		
Overdrafts from Banks (Secured by Term Deposits)	1964385	5079400
	<b>1964385</b>	<b>5079400</b>
<b>SCHEDULE - 5 - INVESTMENTS</b>		
a) Quoted at cost Development Credit Bank Ltd. 1000 Equity Shares of Rs. 10/- with Premium Rs. 30 each. (Prev. Year Unquoted)	40000	1100000
b) Unquoted at cost Akansha Consultancy Services Ltd. 3300 Equity Shares of Rs. 10/- each	33000	33000
Carrier Launcher Edu. Infra 4000 Equity Shares of Rs. 160/- each	640000	0
d) Fund Investment Reliance Fixed Horizon Fund III	0	1200000
India Business Excellence Fund	5000000	1500000
	<b>5713000</b>	<b>3833000</b>





## Schedules to the Balance Sheet

(figures in Rs.)

	ASAT 31-03-2009	ASAT 31-03-2008
<b>SCHEDULE - 6 - STOCK EXCHANGE CARD</b>		
NSE card & Capital Market Segment	5000000	5000000
Future & Option Segment (Security Deposit)	1100000	900000
Central Depository Services Ltd.	500000	0
	<b>6600000</b>	<b>5900000</b>
<b>SCHEDULE - 7 - SUNDRY DEBTORS</b>		
Unsecured and Considered Good		
1) Debts outstanding for a period exceeding six months	125000	131790
2) Other Debts	160114	1591026
	<b>285114</b>	<b>1722816</b>
<b>SCHEDULE - 8 - CASH &amp; BANK BALANCES</b>		
1) Cash on hand	23361	206
2) With Scheduled Banks		
a) In Current Accounts	55427	707635
b) In fixed Deposit Account	15410510	22854008
	<b>15489298</b>	<b>23561849</b>
<b>SCHEDULE - 9 - LOANS AND ADVANCES</b>		
Corporate Tax Refund Due (A.Y. 2007-08)	246700	246700
Other Advances (Staff) / Deposit	9242	17750
Prepaid Expenses	37604	27932
Income Tax Refund Receivable	211010	378738
Advance Fringe Benefit Tax	0	17000
TDS A.Y. 2009-10	908167	493798
Share Application Money	100000	231318
	<b>1512723</b>	<b>1413236</b>
<b>SCHEDULE - 10 - CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors	1513257	5303652
Creditors for Expenses	37503	10572
Security Deposit from Client	720000	1629998
	<b>2270760</b>	<b>6944222</b>
<b>b) Provisions</b>		
Provisions for Expenses	47250	47250
Provisions for Corporate Tax	300000	125000
Provision for Fringe Benefit Tax	30000	18000
	<b>377250</b>	<b>190250</b>
	<b>2648010</b>	<b>7134472</b>



## Schedules to the Profit & Loss Account

(figures in Rs.)

	ASAT 31-03-2009	ASAT 31-03-2008
<b>SCHEDULE - 12 - INCOME</b>		
Income from Brokerage	459108	2021527
Profit on Share Trading (Delivery Base Short Term Gain)	-564012	1351023
Other Income	68987	187233
Bank Interest	2024426	2390064
(includes TDS Rs.493797 Prev. Year Rs. 387486)		
Consultancy Income	4125000	0
(includes TDS Rs. Nil Prev. Year Rs. 46368)		
Profit on Share Trading (Long Term Capital Gain)	-218411	424758
Profit on Share Trading (Intraday sq. off)	-25095	960009
Profit on Derivative Transactions	-736184	-142704
Income from CDSL Operation	12297	0
Dividend Income	105828	45633
	<b>5251944</b>	<b>7237543</b>
<b>SCHEDULE - 13 - OPERATING EXPENSES</b>		
Audit Fees	47250	49562
Stock Exchange Related Expenses	332157	884684
Establishment Expenses	1726551	1271803
Travelling and Conveyance	42119	44546
Repairs and Maintenance	6900	23650
CDSL Related Exp.	119095	0
	<b>2274072</b>	<b>2274245</b>
<b>SCHEDULE - 14 - BUSINESS DEVELOPMENT EXPENSES</b>		
Advertisement Expenses	0	3491
Business promotion Expenses	11120	947
	<b>11120</b>	<b>4438</b>
<b>SCHEDULE - 15 - FINANCIAL OVERHEADS</b>		
Bank Charges	13964	7894
Guarantee Fees	0	43858
Loan Processing Charges & Other Interest	639	237228
Interest on bank Overdraft	514914	500746
	<b>529517</b>	<b>789726</b>
<b>SCHEDULE - 16 - PAYMENT TO EMPLOYEES</b>		
Managing Director Remuneration	600000	600000
Salary	448400	326059
Staff Welfare	30794	21994
Bonus	52383	35453
Contractual Wages	134959	128648
	<b>1266536</b>	<b>1112154</b>
<b>SCHEDULE - 17 -</b>		
Depreciation as per The Companies Act	415307	374308
	<b>415307</b>	<b>374308</b>

**SCHEDULE - 4 -****Fixed Assets**

<b>Assets</b>			<b>Gross Block (At Cost)</b>		<b>Depreciation</b>		<b>Net Block</b>	
<b>Particulars</b>	<b>As at 01.4.2008</b>	<b>Addition/ Deletion</b>	<b>As at 31-3-2009</b>	<b>As at 01-4-2008</b>	<b>For the Year</b>	<b>As at 31-3-2009</b>	<b>As at 31-3-2009</b>	<b>As at 31-3-2008</b>
Immovable Properties	2,432,500	-	2,432,500	647,811	89,232	737,043	1,695,457	1,784,689
Computers & Software	2,635,918	291,700	2,927,618	2,459,679	136,017	2,595,696	331,922	176,239
Vehicles	1,394,993	-	1,394,993	862,755	137,796	1,000,551	394,442	532,238
Office Equipment	214,153	78,103	292,256	109,099	18,470	127,569	164,687	105,054
Furniture & Fixture	1,116,703	-	1,116,703	930,006	33,792	963,798	152,905	186,697
	7,794,267	369,803	8,164,070	5,009,350	415,307	5,424,657	2,739,413	2,784,917
Previous Year	7,737,019	457,248	7,794,267	4,635,042	374,308	5,009,350	2,784,917	2,701,977

**Depreciation on Fixed Assets as Company Act.**

<b>Particular</b>	<b>W.D.V. as on 01-04-08</b>	<b>Addition /Deletion</b>	<b>Total Amount</b>	<b>Rate of Dep. (%)</b>	<b>Dep. Amt.</b>	<b>W.D.V as on 31-03-09</b>
Flat Premises (Shruti)	663696	0	663696	5.00	33184	630512
Office Premises(Heena)	902808	0	902808	5.00	45139	857669
Office Premises(Rajkot)	218185	0	218185	5.00	10909	207276
Computer	176239	291700	467939	40.00	136017	331922
Office Equipment	105054	78103	183157	13.91	18470	164687
Furniture & Fixtures	186697	0	186697	18.10	33792	152905
Motor Car	532238	0	532238	25.89	137796	394442
<b>Total</b>	<b>2784917</b>	<b>369803</b>	<b>3154720</b>		<b>415307</b>	<b>2739413</b>

**SCHEDULE - 4 -****Forming Part of Form 3CD Item No. 14****Depreciation allowable as per I. T. Act, 1961 on Block of Fixed Assets, F.Y. 2008-2009**

Particulars	W.D.V. as on 1-04-08	Addition /Deletion before 30-9-08	Addition /Deletion after 1-10-08	Total Amount	Rate of Dep. (%)	Dep. Amt.	W.D.V as on 31-03-09
<b>Immovable Properties</b>							
Office Premises	612,748	-	-	612,748	5.00	30,637	582,111
Other Premises	427,252	-	-	427,252	5.00	21,363	405,889
<b>Total</b>	<b>1,040,000</b>	<b>-</b>	<b>-</b>	<b>1,040,000</b>		<b>52,000</b>	<b>988,000</b>
<b>Office Equipment</b>							
Computer	161,226	-	291,700	452,926	60.00	184,246	268,680
Office Equipment	111,304	29,440	48,663	189,407	10.00	16,508	172,899
<b>Total</b>	<b>272,530</b>	<b>29,440</b>	<b>340,363</b>	<b>642,333</b>	<b>-</b>	<b>200,753</b>	<b>441,580</b>
<b>Furniture &amp; Fixtures</b>	<b>334,869</b>	<b>-</b>	<b>-</b>	<b>334,869</b>	<b>10.00</b>	<b>33,487</b>	<b>301,382</b>
<b>Vechile</b>	<b>825,444</b>	<b>-</b>	<b>-</b>	<b>825,444</b>	<b>15.00</b>	<b>123,817</b>	<b>701,627</b>
<b>Total</b>	<b>2,472,843</b>	<b>29,440</b>	<b>340,363</b>	<b>2,842,646</b>	<b>-</b>	<b>410,057</b>	<b>2,432,589</b>

**SCHEDULE "11"****Notes on Accounts :****Significant Accounting Policies :****1. Accounting Conventions and Concepts :**

The Financial Statements are prepared under the historical cost convention on the accrual basis and the requirement of the Companies Act, 1956 and guidelines issued by SEBI.

**2. Use of Estimates :**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

**3. Revenue Recognition :**

- Broking income is accounted only in respect of transaction for which delivery settlement has been completed during the accounting period.
- Dividends are recorded when the right to receive the payment is established. Interest income is recognized on time proportion basis.
- Profit on sale of securities held in stock is recorded on transfer of title as per guidelines of SEBI.
- Consultancy income is accounted on actual basis.

**4. Fixed Assets :**

Fixed Assets are stated at cost less accumulated depreciation. Costs attributable to the asset till the date asset is ready to be put to use are added to the cost of asset.

**5. Depreciation :**

Depreciation on Fixed Assets is provided on "Written Down Value Method" on a pro-rata basis at the rates and in the manner specified in Schedule XIV of the companies Act, 1956.

**6. Investments in and Stock-in-Trade of Securities :**

- a. Long term Investments are carried at cost. Provision for permanent diminution, if any, be made.
- b. Unquoted Shares are taken at cost.
- c. The securities, acquired with the intention of short term holding and trading position, are considered as Stock-in- Trade and shown under current asset and are valued at cost. The management has stated that the diminution in the market value of quoted investment is not of a permanent nature. The company has changed the method of valuation of closing stock in equity shares, held as Stock-in-trade, from 'cost or market price whichever is lower' to valuation 'at cost'. Due to the change in method of valuation of closing stock of equity shares, the assets of the Company as on Balance Sheet date are overstated approximately by Rs. 2,457,425/- and profit before taxation for the year ended is overstated to that extent.



d. The security transaction tax charged as an expenses in view of the provision of the Income tax Act, 1961.

7. In the opinion of the Board and to the best of their knowledge and belief, the value of realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**8. Auditors' Remuneration:**

Current Year: Rs. 47,250/- (Previous Year: Rs. 47,250/-)

**9. Retirement Benefits :**

It is informed to us that the company is not required to be registered under Provident Fund Act. Further the provisions for gratuity, superannuation funds and other funds, E.S.I. of Employees State Insurance Act are not made applicable.

**10. Taxation :**

A provision for income tax based on tax liability is computed after considering tax allowance, exemptions and rebate, if any. Current tax is net of the effect of written back of provisions and refunds received.

The Deferred tax Assets/Liabilities have been created in terms of Accounting Standard 22 issued by the Institute of Chartered Accountants of India. The Deferred expenses or benefit is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax liabilities are measured using the tax rate and tax law that have been enacted or subsequently enacted.

	Current year	Previous year
Deferred Tax (Current)	(1,770)	(46,444)
Provision for Income Tax (Net)	300,000	143,000
Provision for FBT	30,000	18,000

**11. Related Party Disclosures:**

Managerial Remuneration and related party disclosures:

	Current Year (Rs.)	Prev. Year (Rs.)
Remuneration to Managing Director		
Shri Digant Parikh	600,000	600,000

**Key Management Personnel :**

Shri Digant Parikh	Managing Director
Shri Mahesh Parikh	Non-Executive Chairman

According to information and explanation given to us there are no transactions except stock broking transactions entered into amongst related parties during the year at prevailing market



# M. B. Parikh Finstocks Limited

price at the time of transaction. The company has acted in its capacity of stock Broker only.

12. In terms of Accounting Standard No. 20 issued by the institute of Chartered Accountants of India, Earning Per Share is worked out as follows.

	Current Year (Rs.)	Prev. Year (Rs.)
a. Nominal Value of Share (Rs.)	10.00	10.00
b. No. of equity Shares (No.)	3000000	3000000
c. Net Profit Before Tax		
d. Earning Per Share	0.09	0.82

13. **Segment Reporting :**

The Company does not have more than one reportable segment in terms of Accounting Standard No.17 issued by the Institute of Chartered Accountants of India.

14. **Foreign Currency transaction :**

No Foreign Currency transactions during the year.

15. Balance Sheet abstract and Company's General business Profile as per Part IV of Schedule VI of the Companies Act, 1956 is enclosed as Appendix.

16. Previous year figures have been recast / regrouped / restated wherever necessary.

Schedules 1 to 11 form an integral part of Balance Sheet and Profit & Loss Account.

for **B.R. PANCHOLI & CO.**

**CHARTERED ACCOUNTANTS**

**C.A. B R PANCHOLI**

**BHUPENDRA R. PANCHOLI**

**PROPRIETOR**

**Mem. No. 041254**

**Place : Mumbai**

**Date : 13th May, 2009**

For and on behalf of the Board

**Mahesh Parikh - Chairman**

**Digant Parikh- Managing Director**

**Govind Rath - Director**

**Lalit Dalal - Director**



# M. B. Parikh Finstocks Limited

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	FOR THE YEAR ENDED	31-03-2009	31-03-2008
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net profit before tax and Extraordinary items	755,392	2,682,672
	<b>Adjustment for:</b>		
	Depreciation	415,307	374,308
	Income Tax	(493,588)	(270,546)
	Deferred Income Tax	1,770	46,444
	<b>Adjustment for:</b>		
	Loans & Advances	(99,487)	(41,501)
	Sundry Debtors	1,437,702	(1,310,298)
	Stock	463,403	(5,116,834)
	Deferred Tax	(1,770)	(46,444)
	Current Liabilities	(4,673,462)	5,813,676
	Provisions	187,000	2,000
	Cash Flow before extraordinary items		
	Net Cash flow from Operation Activities [A]	(2,007,733)	2,133,477
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Purchase of fixed Assets	(369,803)	(457,248)
	Stock Exchange Card Deposit	(700,000)	-
	Purchase of Investments	(1,880,000)	(2,458,160)
	Net cash used in Investing Activities [B]	(2,949,803)	(2,915,408)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Proceeds from Bank borrowings	(3,115,015)	566,357
	Net cash used in financing Activities [C]	(3,115,015)	566,357
<b>Net increase in cash &amp; cash equivalents [A+B+C]</b>		(8,072,551)	(215,574)
<b>CASH AND CASH EQUIVALENTS AS AT 31-03-2008</b>			
[OPENING BALANCE]		23,561,849	23,777,423
<b>CASH AND CASH EQUIVALENTS AS AT 31-03-2009</b>			
[CLOSING BALANCE]		15,489,298	23,561,849

### AUDITOR'S CERTIFICATE

The Board of Director  
M.B. Parikh Finstocks Ltd.

We have examined the attached **CASH FLOW STATEMENT OF M.B. PARIKH FINSTOCKS LTD.** for the year ended 31st March, 2009. This statement has been prepared by company in accordance with the requirements of listing agreement clause 32 with Stock Exchange.

**FOR B.R. PANCHOLI & CO.**  
**CHARTERED ACCOUNTANTS**

**CAB.R. PANCHOLI**  
**PROPRIETOR**  
Membership No. 41254

Place: Mumbai  
Dated : 13-05-2009





# M. B. Parikh Finstocks Limited

✓ **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
(Submitted in items of Part IV of Schedule VI to the Companies Act, 1956)

**I Registration Details**

Registration No. : 21759

State Code : 04

Balance Sheet Date : 31.03.2009

**II Capital Raised During the year (Amt. Rs. '000)**

Public Issue

NIL

Bonus Issue

NIL

Rights Issue

NIL

Private Placement

NIL

**III Position of mobilisation and deployment of funds (Amt. Rs. '000)**

**SOURCES OF FUNDS**

Total Liabilities

39181

Paid up Capital

30000

Secured Loans

1964

Total Assets

39181

Reserves & Surplus

7034

Unsecured Loans

NIL

Deferred Tax Liabilities

183

**APPLICATION OF FUNDS**

Investments

5713

Net Current Assets

24129

Net Fixed Assets

2739

Stock Exchange Card

6600

**IV Performance of the Company (Amt. Rs. '000)**

Total Income

5252

Profit Before Tax

755

Earning per share (Annualised) in Rs.

0.088

Total Expenditure

4497

Profit After Tax

264

Dividend

NIL

**V Generic Names of three principal services of the Company (As per monetary terms)**

Item Code No. : N.A.

Product Description : N.A. (FINANCIAL CONSULTANCY SERVICES & NSE BROKER)



**NOTES**



# M. B. Parikh Finstocks Limited

## ATTENDANCE SLIP

### **M.B. PARIKH FINSTOCKS LIMITED**

Registered Office: 705, Galav Chambers, Sayajigunj, Vadodara, 390 005

Please complete this attendance slip and hand it over at the entrance of the hall

I, hereby record my attendance at the Fourteenth Annual General Meeting to be held on Friday, 14th August, 2009 at the Registered Office: 705, Galav Chambers, Sayajigunj, Vadodara, 390 005 at 12.30 p.m.

NAME & ADDRESS OF THE SHAREHOLDER (IN BLOCKS CAPITALS)	FOLIO NO.

SIGNATURE OF THE SHARE HOLDER OR PROXY \_\_\_\_\_

## PROXY

### **M.B. PARIKH FINSTOCKS LIMITED**

Registered Office: 705, Galav Chambers, Sayajigunj, Vadodara, 390 005

DP ID:	CLIENT ID:	FOLIO NO.
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I/We \_\_\_\_\_ of \_\_\_\_\_  
of \_\_\_\_\_ Being a Member /Members  
of \_\_\_\_\_

**M.B.PARIKHFINSTOCKS LIMITED** hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (or failing him) \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/ our Proxy to attend and vote for me/us and on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Saturday, 14<sup>th</sup> August, 2009 at the Registered Office at 705, Galav Chambers, Sayajigunj, Vadodara 390 005, at 12.30 p.m. and at any adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signed by the said

NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting . The Proxy need not be a member of the Company.

Name of the Shareholder(s): \_\_\_\_\_

BOOK-POST

TO,

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If Undelivered please return to :

**M.B.PARIKH FINSTOCKS LIMITED**

9/10, Heena Arcade, S. V. Road,  
Jogeshwari (W), Mumbai - 400 102.

Tel. : 2679 0434 / 2103/ 2105 Fax : 2679 0463

E-mail : mbpfin@bom5.vsnl.net.in